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Natural Resources Committee  
January 31, 2013

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[LB322]

The Committee on Natural Resources met at 1:30 p.m. on Thursday, January 31, 2013, in Room 1525 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB322. Senators present: Tom Carlson, Chairperson; Lydia Brasch, Vice Chairperson; Annette Dubas; Ken Haar; Jerry Johnson; Rick Kolowski; Ken Schilz; and Jim Smith. Senators absent: None.

SENATOR CARLSON: Welcome to the Natural Resources Committee. I am Tom Carlson, Chairman of the committee. And committee members that are present are, to my left, Senator Ken Haar from Malcolm, District 21. To my immediate left is our legal counsel, Laurie Lage. And then to my far right is Barb Koehlmoos, the committee clerk. And next to her is Senator Lydia Brasch from Bancroft, District 16, and she is the Vice Chair of the Natural Resources Committee. Next to her is Senator Jerry Johnson from Wahoo, District 23. And to my immediate right, Senator Annette Dubas from Fullerton, District 34. We will have Senator Jim Smith and Senator Ken Schilz and Senator Rick Kolowski that will be joining us. And what often happens, they could be involved in presenting bills in other committees and so we'll have some of that coming and going during the hearing. Our pages are Tobias Grant, he is a senior at Doane, he is from Lincoln. And then walking across the back of the room is David Postier from York, and he is a sophomore at UNL. If you are planning on testifying, there is a green form. Many of you are familiar with this, but make sure you have the green form filled out before you testify. If you don't want to testify, but want your name entered into the official record as being present, there is a form on the table that you can sign for that and that will be a part of the official record. But fill out the sign-in sheet before you testify and then turn it in to Barb over here and this helps keep a more accurate record. If you don't choose to testify, you may submit comments in writing. And if you do that, they will be read into the official record. If you have handouts, make sure you have 12 copies, you won't get any of them back, so that the committee can have those. And if you need some help from the pages if you don't have enough copies, they can help you on that. There is no need to move or touch or change the microphone because whether you're right on it or whether you're back, it will pick up what you say. It will pick up what you whisper in case you didn't want it to pick up, it's going to pick it up anyway. You don't need to touch it, so just leave it where it is. As you start to testify, say and spell your name. And again, that is for accurate records. And if you don't do that I'll stop you and make you do it. I'm not trying to make you nervous. If you have a cell phone that rings, please turn it off. Committee doesn't use any electronic devices during the hearings. And we're not going to have a problem today, but there are no displays of support or opposition to a bill in the hearing. And I hope it never happens. If it did, we would have to ask somebody to leave. So we don't want any of that. How many are here to testify today? Okay. And I don't think it's necessary that we use the lights today, but if you can, try and keep your comments to a five-minute period and then give us an opportunity to ask you questions? Are there any questions before we start? And Senator Schilz is just arriving. And

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Senator Kolowski just arrived as I was giving instructions. Any questions? Okay, with that we'll open the hearing. Senator Karpisek, you're recognized to open.

SENATOR KARPISEK: Thank you, Senator Carlson. Members of the Natural Resources Committee, it isn't often that I come darken your doorstep, but I am here today. LB322 would ask the Department of Natural Resources to conduct an environmental study to consider the impact of placement of a flood control dam on the Big Blue River near Crete, Nebraska. The study would be completed by December 1, 2013, and a report of the study findings shall be provided to the Natural Resources Committee of the Legislature, and the Governor. The department may enter into contracts for the purposes of this section. The purpose of this whole exercise is to try to get a majority or part of Crete out of the floodplain, the business district. As they are...you'll hear much more from them, but as they are looking at revitalizing downtown, doing things, they're in a floodplain. Now, obviously, anything that you do behind a dam is going to affect things too. So that's why we'd like to have the study. Also, downstream from the dam would be Wilber, which should help some of Wilber get out of a floodplain; and probably DeWitt, and we have someone here from there; and possibly Beatrice, and all the way down. So that is the reasoning behind this. There has been some work on it in the past. Again, I think that I have people behind me that will know much more about the history behind this, but if not, I can kind of do a little more in closing. But I'd be glad to take any questions now. [LB322]

SENATOR CARLSON: Okay. Thank you for your testimony. Questions? Senator Haar. [LB322]

SENATOR HAAR: We're a tough committee, Senator. (Laughter) [LB322]

SENATOR KARPISEK: I can tell. [LB322]

SENATOR HAAR: My question is, what would happen next? And let's say that the results are positive of this study, that it would have a positive impact. Do you know what would be the next steps all the way down the line until finally constructing it? [LB322]

SENATOR KARPISEK: I suppose put out an RFP and...for the dam, and probably have to work...naturally with the Corps of Engineers, all that sort of thing. We have people from Olsson and Associates here today that can probably walk us through that. [LB322]

SENATOR HAAR: And then eventually who would pay for the dam? [LB322]

SENATOR KARPISEK: Senator Haar. (Laughter) You know, I suppose as with anything, that that would be in the devil's in the details. I would think that the Corps of Engineers would be involved in some way. I don't know when the last time is a large dam like this has been looked at or put in. We've had quite a few smaller dams for flood

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control along Turkey Creek, I know, and to try to help the flooding that has occurred in DeWitt because they have the Turkey Creek and the Blue River both intersecting in town. And they've had some really bad floods. So those are not near the magnitude of this. And I think the NRDs are usually involved in those. [LB322]

SENATOR HAAR: And this is a trick question, does this, then, lead to the Ashland Dam? [LB322]

SENATOR KARPISEK: No. We're trying to be very careful not to flood any towns. [LB322]

SENATOR HAAR: The reverse. Thank you very much. [LB322]

SENATOR KARPISEK: Thank you. [LB322]

SENATOR CARLSON: Okay. Thank you. Any further questions? Okay, thank you. And you'll be here to close? [LB322]

SENATOR KARPISEK: I will. I have two bills up in Government. If I would get called, then I would waive closing, but I intend to stay. Thank you. [LB322]

SENATOR CARLSON: Okay. All right. Okay. Thank you. All right, we're asking for proponents to come forward and don't be bashful. Welcome. And let me ask you a question, is this your first time to testify on a bill? [LB322]

ROGER FOSTER: No. [LB322]

SENATOR CARLSON: No. Good, then you're an old hand, so we won't worry about you feeling comfortable. [LB322]

ROGER FOSTER: (Exhibit 1) Okay. Chairman Carlson and members of the Natural Resources Committee, my name is Roger Foster, R-o-g-e-r F-o-s-t-e-r and I have the pleasure of serving as Crete's mayor. I'm here to testify in favor of LB322 on behalf of the city of Crete. The community of Crete, the respective natural resource districts, and the Corps of Engineers has kicked around a flood control reservoir idea since the '40s and '50s. The city of Crete is currently working on a long-term, comprehensive plan. Aspects of that plan include downtown renovations, present and future land use, as well as infrastructure considerations. Much of this activity involves area that is located in the hundred-year floodplain. For our city to move forward with an accurate, long-term, comprehensive plan and to explore future possibilities, the question of flood mitigation needs to be answered. Put succinctly, is this a project that could someday become a reality or should the idea be put to bed for the foreseeable future? I feel a study to build a major watershed in Nebraska that is closer to the state's population makes sense for

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the economy. This would be a massive project for the state that would help every community downstream of the dam, as well as upstream of the dam. Toward this end, our youth are leaving the state at an alarming rate, which is an issue that gets discussed in the Legislature on an annual basis with little progress on how to curb this. Building a reservoir could also serve as a tool to help retain some of the state's best and brightest. Is it worth the resources to do a feasibility study? To answer Senator Haar's question, that would be...the next step would be a full-fledged feasibility study. Now is the time to answer that question, as this study is as much about determining whether this is a good idea as it is about the possibility of it being a bad idea. And I would answer any questions you may have. [LB322]

SENATOR CARLSON: Okay. Thank you for your testimony. Any questions? Senator Kolowski. [LB322]

SENATOR KOLOWSKI: Mayor Foster, thank you for your testimony today, great to have you here. Coming from the Papio-Missouri River NRD, we know a lot about that, don't we. The reservoirs we've been putting together in the metro area are extremely vital to the safety and security of both life and property, and I commend you on this. We have, in my mind, a new ally now, when you're looking at what you're asking for because we certainly know what it does in the metro area as far as the retention of water and the slow release of water over time compared to what we would have with all the additional asphalt, concrete, rooftops, and all the rest that have spread so much on the Papio Watershed. I commend you on this. And I would certainly support your efforts to protect life and property and expand your horizons in Crete. You have an excellent town, excellent school district, great communication and cooperation in your area, and you are to be commended for that. I hope we will be able to help you. [LB322]

ROGER FOSTER: Well, thank you, I appreciate that. [LB322]

SENATOR KOLOWSKI: Thank you. [LB322]

SENATOR CARLSON: Okay. Senator Johnson. [LB322]

SENATOR JOHNSON: Thank you, Senator Carlson. Mayor Foster, call you that, as a former mayor of Wahoo, a former mayor that just went through the completion of a project. And having lived in Dorchester, and having lived in Plymouth, I have a total of 12 years between the two, I know what has happened down there on occasion. So one of the things that...and this is probably not more...as much a question, but just seeing the value of that. And I would assume that part of this project would also involve some recreation potential. And I think that's a valuable asset. The flood control is number one. But having that added to it sure would help in promoting the program, but also would help me in supporting it, knowing that you're taking that into account also. So, commend you for bringing it forward. [LB322]

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ROGER FOSTER: Thank you. [LB322]

SENATOR CARLSON: Okay. Senator Haar. [LB322]

SENATOR HAAR: Could you just real briefly tell...I know this, obviously, flooding endangers the people; what about building? What are the restrictions right now, because you're in a hundred-year floodplain? [LB322]

ROGER FOSTER: Well, and I could be inaccurate, but I believe when they do funding in a floodplain, you can only borrow at 50 percent of the value. So we've had a couple of businesses that have expanded. But the process they have to go through is they do like phase one, have the property reassessed, do phase two, have it reassessed. And then, hopefully, maybe by phase three, most of these two projects I'm thinking of specifically, they...hopefully at the end of the third phase they have the entire project done as opposed to being able to do it all in one construction process, which in the long run costs businesses more money to do it in phases just simply because contractors come and go and wait for it to be reassessed before they can move on. [LB322]

SENATOR HAAR: Okay, thank you. [LB322]

SENATOR CARLSON: Okay, Senator Dubas. [LB322]

SENATOR DUBAS: Thank you, Senator Carlson. Thank you, Mayor Foster. I have a small community in my district that for the last...I know at least five years and probably six, I know it's been as long as I've been in the Legislature, has been working really hard to be removed from the floodplain and the flood mapping. And I have been involved somewhat with helping communications between them and the federal government and the Corps and etcetera. And they haven't done a project like what you're proposing, but I know that they...there are a lot of hoops you have to jump through in order to get that changed. So if this dam would come to fruition, is that the only thing that you would have to do to get removed from the floodplain, or are there other things you're looking at as well? [LB322]

ROGER FOSTER: Well, there is some things they did back...I don't know my dates exactly, but it was in the '70s, I believe. There were some hydro dams for generation that they removed. I think there were four of them along there, that did help with some of the flooding. Olsson probably can speak better to the specifics of the size and the portion of the total water flow. Roughly what they will present will be about half of what the water flow is on the main stem of the Blue River would be dammed up. So that would...I don't know that it would be exactly proportional at 50 percent, if it was 50 percent of the flow, but somewhere in that range. So it...I don't...without doing the study, you wouldn't really know exactly how much you could remove from the floodplain. But

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that would be one of the components. And I guess I'll just add that...just so everybody is clear, that nobody is proposing a full-fledged feasibility study. This is more of what Olsson has called a reconnaissance study to just...to see whether it's worth expending the money, because those can be very pricey. And we want to make sure that it's a good idea before we do so. [LB322]

SENATOR DUBAS: Okay. So have you had other conversations with the federal government or the Corps as far as...what is it, what are all the steps we need to take in order to get removed from the floodplain? [LB322]

ROGER FOSTER: We haven't. And that's why we...like I said, we've kicked this around. And it's basically just been kicked around and we've always thought that it's going to take our community asking for it. And if they get a reconnaissance-type study, that might engage the natural resources district and the Corps to look further into it. I think our role in it for now is just to kind of get the ball rolling so that, hopefully, they'll spark some interest to explore it further. [LB322]

SENATOR DUBAS: Okay, so this is your starting point then... [LB322]

ROGER FOSTER: Yes. [LB322]

SENATOR DUBAS: ...as far as making... [LB322]

ROGER FOSTER: Right. [LB322]

SENATOR DUBAS: ...getting the ball rolling for this. [LB322]

ROGER FOSTER: Um-hum. [LB322]

SENATOR DUBAS: Very good. Thank you. [LB322]

ROGER FOSTER: Thank you. [LB322]

SENATOR CARLSON: Okay. Any further questions? Senator Johnson. [LB322]

SENATOR JOHNSON: I'll follow up. Thank you. The fiscal note here, it's a pretty wide range, \$100,000 to \$200,000. Is that a figure that comes from the people...the staff here, or have you had any input on that? It's probably coming more from here, but if...the second part of that is, are you prepared, as a community or a group of communities, I'm talking about DeWitt, Wilber, Beatrice for sure, to put some of your own funds into this in order to make it go? [LB322]

ROGER FOSTER: Well, obviously, I can't speak for the entire council, but I know the

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community itself realizes the importance of the floodplain. The city itself has already expended...I mean, a small amount in proportion to what we're asking for, for Olssons to prepare the original presentation for you guys, and also what they prepared for Senator Karpisek to look at before he presented the bill. The dollar amount, it comes from Olssons. And I think what they're proposing to do is to study, possibly, three different locations. So it may not even be...the best location may not be on the Blue River. It may be another place in Nebraska, if they're looking at it from a recreational or to mitigate the flood potential, the maximum they could. They may not even determine that that's the right place for it, but they're proposing to study three different areas. And their thought was, you know, we may...they may say study all three. They may say study none. They may say one, two. So that's why that figure, probably, has a broad range and they can, probably, speak to it more specifically. [LB322]

SENATOR JOHNSON: Okay, thank you. [LB322]

SENATOR CARLSON: Okay. Any other...yes, Senator Kolowski. [LB322]

SENATOR KOLOWSKI: Thank you, Mr. Chairman. Mayor Foster, have you had contact with your NRDs, or is it a single NRD or a combination as far as up and down rivers? [LB322]

ROGER FOSTER: We've talked both with the Upper and the Lower Blue River and, I mean, they're interested in the project as far as committed to their stance on it. I don't know that they've committed to say yeah, we're behind it or we're not. One of them actually had a meeting this afternoon, which is...they were wanting to attend the hearing. They hadn't necessarily promised to testify in favor, but I would guess they'll be discussing it further. We brought this...I think it was back in 2007 originally, and that one in particular was to study just the Blue River. And that was the entire of the two stems. This one is just strictly the east stem because, like you said, the Ashland deal would have affected Milford a little bit. [LB322]

SENATOR KOLOWSKI: I'm thinking of their availability, possibility of resources to assist you with your reconnaissance study, or whatever you're calling it. [LB322]

ROGER FOSTER: Right. [LB322]

SENATOR KOLOWSKI: Might be able to help you. [LB322]

ROGER FOSTER: Yeah. We're hoping. [LB322]

SENATOR KOLOWSKI: Thank you. [LB322]

SENATOR CARLSON: Any further questions? What is the population of Crete? [LB322]

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ROGER FOSTER: It is 6,960 people. [LB322]

SENATOR CARLSON: And how long have you been there? [LB322]

ROGER FOSTER: Other than a short stint during college, I've been there all my life, other than about four years. [LB322]

SENATOR CARLSON: Okay. What has happened to the population in the last 10 or 20 years? [LB322]

ROGER FOSTER: In the last 10 years we've grown, I think our last census was 896 people, it was roughly about...I'm going to say it was 15 percent. Since I was a youth, I would say the size of the town is very close to doubled in the last probably 35 to 40 years. [LB322]

SENATOR CARLSON: Do you see this study and the potential of a structure being built that it would have a greater positive impact on what growth has been up to this point? Do you feel strongly about that? [LB322]

ROGER FOSTER: Absolutely. And it wouldn't be just our community. It would be everywhere around there. I mean, everywhere between Lincoln and Milford would probably grow tremendously and have a lot of traffic. [LB322]

SENATOR CARLSON: Okay. And you mentioned this a little bit. But you said something about if existing businesses want to expand, they have trouble getting the loan to cover it, other than up to 50 percent of the cost of what they want to do. Is that correct? [LB322]

ROGER FOSTER: I think it's of the valuation of the property itself that they currently own. [LB322]

SENATOR CARLSON: Now in Crete, you've got some newer development that's out east. Are they out of the floodplain? [LB322]

ROGER FOSTER: Yes, those in particular are. But our old downtown is in the floodplain and then some of the older residences. [LB322]

SENATOR CARLSON: Okay. Okay. Good. Any further questions? Okay, Mayor Foster, thank you for your testimony. [LB322]

ROGER FOSTER: Thank you. [LB322]



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SENATOR CARLSON: Next testifier, proponent. Welcome. [LB322]

CARTER HUBBARD: (Exhibit 2) Hello. I'm Carter Hubbard, C-a-r-t-e-r, last name H-u-b-b-a-r-d. I am a water resources engineer with Olsson Associates. The city of Crete has asked us to put together some information and provide some information in support of this bill here today, so that's our role in this effort. I do have a handout. I'm not sure about protocol. [LB322]

SENATOR CARLSON: Just give it to the page. [LB322]

CARTER HUBBARD: Okay. He's passing around a handout. And what the handout covers is essentially a description of what the funds would do for the study and what the outcome of the study might be. And also a look at what some of the potential benefits of a proposed reservoir could be. I want to point out...and several of you senators have made some observations with regard to recreation benefits and flood control benefits. Just looking at some comparable reservoirs, comparable to the type of reservoir that we'd be talking about here on the Big Blue River or on the west fork of the Big Blue River, but these comparable reservoirs in Kansas which would be Milford Lake, Tuttle Creek Lake, and Perry Lake down in Kansas, all larger reservoirs. And Tuttle Creek, for example, is right on the Big Blue upstream from Manhattan there. And in the recent studies of those reservoirs, when they evaluated it they determined that the recreation benefit from those reservoirs was about \$15 million per year on average for those three lakes. So if you take that \$15 million per year and look at it over a 50-year life span for a reservoir, which is a pretty typical design life span for a reservoir, and then do the kind of financial math to look at what is the present value of \$15 million over 50 years, the recreation benefits alone from those reservoirs is on the order of \$500 million in present value. So there is tremendous potential benefits that can be realized from this reservoir in terms of recreation. And that is not to mention the flood control benefits. One of the other potential benefits that I'd like to point out, you know, we have a compact with the state of Kansas for flows on the Big Blue River. We're required to guarantee so much flow to...or do what we can rather, to guarantee so much flow to the state of Kansas during July/August and the hot months of the year. And in 2012, we had to actually shut down some irrigators, surface irrigators on the Big Blue River. A reservoir like this can be set...have a portion of the reservoir pool set aside so that you can help supply, help augment releases, help augment discharges in the Big Blue River during those months to try and avoid having those shutdowns of irrigators and trying to ensure that we have that flow that we are suppose to provide to the state of Kansas. So in terms of water supply, there is also a benefit there. And another positive benefit in terms of water supply would be regional groundwater recharge from a large reservoir. So to go over a little bit, while I'm up here, a little bit about what would the funds do. We would be looking at doing a reconnaissance-level study, which is just kind of an initial look at it for up to three different sites. One of the suggestions has been to do...look at a site on the west fork, maybe look at a site on the main stem upstream from where the west fork

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and the main stem combine, and then maybe look at a site downstream of the confluence of the two rivers. And if I may, I have a poster board. It might be easier to point to that and reference that. [LB322]

SENATOR CARLSON: That's okay. Maybe you had better set it back there so we can all see it. [LB322]

ROGER FOSTER: Yeah, perfect. We prepared this for the city of Crete. And the idea was to look at just the existing topography here today and look at if we put a dam on the west fork of the Big Blue River and had a reservoir there, what might that look like. And so these different colors represent the various depths of potential water. If you...the absolute maximum that you could build the reservoir would be up here at this 1450 elevation which corresponds to the orange. And so that would be, essentially, like your flood pool. It would only get up that high during a severe flood event, an emergency situation. But your reservoir would be your permanent pool. The actual lake itself would be one of these other colors down in here, depending on where you set that lake level. And just looking at it for comparison sake, and an outline...this blue shape up here in the corner, that's an outline of Branched Oak Lake. So that kind of gives you an idea of what kind of a scale that might be. So this would be one of the potential sites that we would propose to study. This is the west fork that comes in, starts out by Hastings, comes in and joins the Big Blue River, which the Big Blue River is right here just upstream from Crete. Another potential site might be on the Big Blue River itself, maybe upstream from Seward, in order to not back up water onto towns or the interstate or other vital infrastructure. And then another potential site might be on the Big Blue River somewhere downstream of Crete potentially. But that would...the thought was that those three potential sites might cover kind of the gamut of possible sites that you would have for a reservoir on the Big Blue River. [LB322]

SENATOR CARLSON: Okay. Thank you for your testimony. We'll open with questions. Senator Kolowski. [LB322]

SENATOR KOLOWSKI: Thank you, Mr. Chairman. Mr. Hubbard, the idea of the downstream from Crete, does that not defeat the purpose of protecting Crete? [LB322]

CARTER HUBBARD: Well, the idea would be that if it was downstream from Crete, it might be in a series. There might be, for instance, a reservoir upstream from Seward and one downstream from Crete. [LB322]

SENATOR KOLOWSKI: Other catching. Okay. [LB322]

CARTER HUBBARD: Right. Because once you get down to the point where the west fork and the Big Blue River come together, you have a huge watershed. So it might take more than one reservoir. So, sorry I was unclear, but, yeah, if you were going to do

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certain locations, you might have to do more than one reservoir to accommodate.  
[LB322]

SENATOR KOLOWSKI: Understandable. And what would be the combination of range of acre feet of water on what you propose right here? Different elevations I understand.  
[LB322]

CARTER HUBBARD: If you look at this site, and this is just based on topography...  
[LB322]

SENATOR KOLOWSKI: Right. [LB322]

CARTER HUBBARD: ...there aren't a lot of other considerations taken into this. But just looking at the topography, the lay of the land out there, this lake could range from anywhere from maybe 10 to 15 square miles. And to give you a point of comparison, I believe Harlan County Reservoir is about 20 square miles, 22 square miles, something like that. And then the flood pool for this reservoir would be on the order of the size of the lake out at Harlan County, about 20 square miles or so. [LB322]

SENATOR KOLOWSKI: Thank you. [LB322]

SENATOR CARLSON: Okay. Senator Johnson. [LB322]

SENATOR JOHNSON: Yeah, thank you. This appears to be pretty close to Milford?  
[LB322]

CARTER HUBBARD: Yes, sir. [LB322]

SENATOR JOHNSON: I figured it, just knowing the lay there. [LB322]

CARTER HUBBARD: Yes, this is Milford right here. [LB322]

SENATOR JOHNSON: Okay, so you...okay. A couple of questions, going back to this funding a little bit. Is it normal for this early of a study to be paid by the municipality or those involved, and the NRD does not get involved? [LB322]

CARTER HUBBARD: I honestly couldn't tell you because, you know, a project of this size is pretty rare. I don't know that we've done reservoirs of this size. But, you know, the ball usually has to start rolling somewhere. And the idea here today is we're not here to say that, yeah, let's go build a reservoir, it's a great idea today. What we're here to do today is to say, there's a lot of potential benefits. And it's probably worth a little bit more of a look to decide if we want to go down that road. So, absolutely, part of the process would be to engage the NRDs, engage all of the communities along there, engage

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Department of Natural Resources, and try and bring them to the process as stakeholders and as partners in the project. But as far as whether or not they're involved this early or not, I don't know. This is a very unique situation for me. I don't recall any reservoir near this size in the region being proposed for awhile. [LB322]

SENATOR JOHNSON: Yeah. If I could do a follow-up, or do you want me to... [LB322]

SENATOR CARLSON: No, it's okay. [LB322]

SENATOR JOHNSON: ...okay, I've got a follow-up. With the Kansas Compact, and we all know the value and the situation if we don't take care of that. Experience that I've had, when you develop part of this for recreation and you get recreation funds, they have, sometimes, more control in the level of the water than you do or we do as far as flood control because of habitat. Is there a...does a compact like this trump what the Park and Rec or Game and Parks or environmental people can dictate? [LB322]

CARTER HUBBARD: The best I can answer your question...in discussions with the Department of Natural Resources about our proposed reservoir, they stated that it would be treated as a junior irrigation right from the date of completion of the reservoir. So my understanding is the rights to the water coming down into the reservoir would be limited by that junior irrigation right. And if there are senior rights downstream that need that water, you would be required to pass through flows. So I would...I don't know if that trumps per se... [LB322]

SENATOR JOHNSON: Yeah. [LB322]

CARTER HUBBARD: ...but, you know, it might dictate what they do with the level of the lake. [LB322]

SENATOR JOHNSON: You're saying there is probably a vehicle of some kind there, a contract or something, that would allow that...you to complete your obligation to the Kansas Compact on those years when you have to let water through for them. [LB322]

CARTER HUBBARD: Yeah, the water rights issue is going to be one that probably has a very dominant impact in terms of how the reservoir is operated. [LB322]

SENATOR JOHNSON: Yeah. Okay, thank you. [LB322]

SENATOR CARLSON: Okay. Senator Haar. [LB322]

SENATOR HAAR: Thank you. Just a question here on page 4 of your handout where you talk about environmental...and I'm just curious about this...you say reduce phosphorous and nitrogen. How does a dam accomplish that? How does a reservoir

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accomplish that? [LB322]

CARTER HUBBARD: You have phosphorous and nitrogen coming down from the watershed, basically, whether it's fertilizer application or naturally occurring. But it comes down and it's primarily attached to sediment that's flowing in the water. So if you have a reservoir, a lot of that phosphorous and nitrogen will drop out at the upper end of the reservoir with the sediment when it drops out. So you achieve your phosphorous and nitrogen removal by dropping out the sediment at the upstream end of the dam. [LB322]

SENATOR HAAR: Are there any kind of requirements around dropping the phosphorous and nitrogen right now from the EPA or anything? [LB322]

CARTER HUBBARD: The only thing I'm aware of is, if you look at the dead zone in the Gulf of Mexico, there is a push for all of the states in the Mississippi River Basin, which would include the Missouri River Basin in Nebraska, there is a push to start monitoring and regulating the nutrient and other pollutants that are discharged from each state, from the watersheds in each state. So I don't think it's a requirement per se. But things may be heading in the direction of having a comprehensive statewide plan to reduce pollutant discharge from the state for that specific reason for protecting the Gulf and trying to reverse that dead zone effect from excess nutrients being discharged into the Gulf. [LB322]

SENATOR HAAR: Thank you. [LB322]

SENATOR CARLSON: Senator Brasch. [LB322]

SENATOR BRASCH: Thank you, Chairman. And thank you for your testimony and your chart today. I am curious on the time line of a study. Say this comes to committee and we get it out of the committee and it goes on to the floor and it becomes feasible, say the month of June here and I see you're ending the study in December. What is the study? Is it looking at all the legalities? Can you describe a typical study? [LB322]

CARTER HUBBARD: Sure, yeah, the study would basically entail taking a look at...well, first deciding on which sites we want to evaluate and how many. Then secondly, looking at each site and look, based on gauge records or other available information, saying, okay, how much water comes down to this site? How big of a reservoir can be supported at this site based on the amount of water coming down? And then looking at topography, kind of as we have done here, and saying, okay, what would that look like? How big would the area of the lake need to be to support a reservoir that big? Then you go through and you look at the costs associated with that. What are the land rights costs? What are the infrastructure costs? What are the construction costs? And you look at, all right, if we balance that against the potential benefits, does that work at that

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point? Or do we need to think about resizing the reservoir, trying to look at it from a different, maybe smaller, perspective? And you try to find that optimum point and that point where your benefits are greatest relative to your costs and determine that, essentially, for each site. So it would be doing that evaluation for each of, potentially, up to three sites. And then determining if each of those sites appears to be feasible at this point. And then that would trigger the decision of, okay, would we move forward with something like a feasibility study, which would be a much more in depth, much more detailed evaluation of all those costs and benefits? And then with a project like this, a project of this size, ultimately after the feasibility study there would certainly need to be things like an environmental impact study and coordination with agencies like the Corps of Engineers and others to make sure that all the environmental impacts are all fully accounted for, that all the ducks are in a row environmentally speaking and that it can move forward. And, you know, on down the line, this overall process is not a process that would probably be measured in a matter of a few years. It would probably be measured in terms of a few decades. This would be the first small step, say, should we move forward with this process to that next step, that feasibility study? Or is this something that there is just not enough potential benefit to? [LB322]

SENATOR BRASCH: And could the environmental impact study or federal regulation deny any or all of these dams after this investment has been made in the study? [LB322]

CARTER HUBBARD: Yeah, there's always a chance. And the regulatory environment is not a simple, straightforward deal and that's why it takes years to address those. The regulatory environment for dams is fairly tough and it does take some time to work through. But yet, dams like Wanahoo and other dams have been able to make it through that process and be approved and put in place. So it's possible. It's a long process and there's a lot of...there are no guarantees. [LB322]

SENATOR BRASCH: And does the federal government grant these projects to proceed based on the data that the states or areas provide them, or do they then do their own study to... [LB322]

CARTER HUBBARD: On something this large, it may be that at some point it becomes, for instance, a Corps-funded...partially Corps-funded project. And the Corps gets involved and the Corps does the design and the Corps does their own environmental study. It's tough to say with something this big that has so many potential partners, but I would imagine that at some point the Army Corps of Engineers or other federal entities would be directly involved, would be performing their own analyses of the feasibility and... [LB322]

SENATOR BRASCH: Have you worked with a project like this before? Is this one of many, one of... [LB322]

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CARTER HUBBARD: Nothing of this magnitude, but we have worked on, for instance, Wanahoo, which the Corps was a partner in that effort. They designed a lot of the upstream dams, and then also designed some of the features of the lake at Lake Wanahoo. So, and they did have quite a bit of involvement in the review process. There was, obviously, a lengthy regulatory review process in terms of impacts to the stream and wetlands. And that did take many years. I mean, that was a...Wanahoo was a project that from start to inception was probably two decades or more to complete. [LB322]

SENATOR BRASCH: And compare the sizes of these two, is this larger or smaller? [LB322]

CARTER HUBBARD: This would be a much larger project than Lake Wanahoo, yes. That's the biggest one that I have as a point of comparison for you right now unless you go back to when Tuttle Creek Lake down by Manhattan was built. And that was a different era regulatory-wise, so it's tough to make a comparison there. [LB322]

SENATOR BRASCH: And I am not familiar with Wanahoo. Where is that located? [LB322]

CARTER HUBBARD: Wanahoo...Lake Wanahoo is up by Wahoo, Nebraska. It's just north and east of Wahoo. [LB322]

SENATOR BRASCH: Well, I know where Wahoo is, but... [LB322]

SENATOR JOHNSON: It's right on the north edge. [LB322]

SENATOR BRASCH: Okay, Oh, I drive by it. I did not know that was the name. Okay, I'm very familiar with it. Okay, very good. I have no other questions. Thank you for your thorough explanation; appreciate it. [LB322]

CARTER HUBBARD: Thank you. [LB322]

SENATOR CARLSON: Okay, any further questions? Yes, Senator Kolowski. [LB322]

SENATOR KOLOWSKI: Thank you, Mr. Chairman. I really appreciated your concern over the security of...for both property and lives within your scope of what you're looking at. But more importantly, also I really appreciate the comments on recreational potential and the impact within a large zone of many, many miles, as well as the economic impact, not just recreational. You're touching on what we have dealt with in the Papio NRD for decades now. And this is a huge project, and it has got to be easily \$40 million, \$50 million dam size. [LB322]

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CARTER HUBBARD: Oh, I would venture that it's probably a good deal more than that. [LB322]

SENATOR KOLOWSKI: More than that, yeah. Just minimally, without even looking, compared to some of the ones we've built. And it's a tremendous potential for this region, so thank you. [LB322]

CARTER HUBBARD: Well, and I think the other thing that's important to note about that economic recreational benefit is that right now...we looked at that Kansas study, that studied those lakes in Kansas very recently, right now a huge portion of that \$15 million per year per lake that they're receiving in Kansas comes from Nebraskans who go down to those lakes because they're the nearest sizeable lake to go recreate at. So that's a lot of our dollars that are going out of state. [LB322]

SENATOR KOLOWSKI: Sure. [LB322]

SENATOR CARLSON: Okay. Any further questions? Do you know in looking at that, what is the total amount of acres that this would take out of production? [LB322]

CARTER HUBBARD: It would depend on where exactly you set the permanent pool. But, you know, if the permanent pool was, let's say, 10 square miles, so half of the maximum extent shown here, you know, that's 6,000-some acres, and that's quite a bit. But if you look downstream and look at the benefits downstream in terms of potential flood reduction, there might be 200,000 acres downstream that benefit from flood reduction. [LB322]

SENATOR CARLSON: So that looks like a...well, it's on the river. So if you go up, what would be northwest from the pool itself? What's that land right now? Is that all river and frontage, or what's on that land right now? [LB322]

CARTER HUBBARD: It's agricultural land right now. Yeah, so it would be in crop production or pasture, primarily. [LB322]

SENATOR CARLSON: Okay. All right. So there is a lot of acres involved here. [LB322]

CARTER HUBBARD: Yes. [LB322]

SENATOR CARLSON: And that becomes...I think...I'm not against this at all, but that becomes...what's the production possibility off all those acres for the next 20 years or 30 years as compared to the economic value of recreation on the lake? [LB322]

CARTER HUBBARD: Right. [LB322]



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SENATOR CARLSON: And that's a...it's a serious decision. [LB322]

CARTER HUBBARD: And with something this large there's obviously potential large benefits and obviously very potential large costs. And, you know, I think that's what we're saying today is it's probably worth an investigation to see how those two compare to see if this is something that's worth moving forward. I don't think anyone is here today saying, yeah, the reservoir is definitely a good idea, let's move forward right now and build one. I think we're saying, it's worth some more investigation and a little bit bigger look to see if that process should move forward. [LB322]

SENATOR CARLSON: Okay. Good. [LB322]

CARTER HUBBARD: Senator Dubas, you had a question earlier about floodplains and what it would take. The process would be that once the reservoir is in place, the dam has been constructed, then you would submit a letter of map provision application to FEMA. The process would probably take six months to a year. And then the downstream floodplain could be remapped to reflect this flood control structure being in place upstream. So it would be something that would occur after the reservoir has been constructed. [LB322]

SENATOR DUBAS: Thank you. [LB322]

SENATOR CARLSON: Okay. Thank you. Any further questions? Mr. Hubbard, thank you for your testimony. [LB322]

CARTER HUBBARD: Thank you very much. [LB322]

SENATOR CARLSON: All right, next testifier please, proponent. Welcome. [LB322]

TOBIAS TEMPELMEYER: (Exhibit 3) Thank you. Chairman Carlson, my name is Tobias Tempelmeyer, T-o-b-i-a-s, last name Tempelmeyer, T-e-m-p-e-l-m-e-y-e-r. I am the city administrator from Beatrice, Nebraska. And what I'm passing here is a letter I had sent to Senator Carlson supporting LB322, and I've provided you with copies so that you could see them as well. And part of this might be asking why would Beatrice be in support of a lake up by Crete? And there are a number of reasons, some of which have already been touched on: flood control, ensuring irrigators to have access to water when it's most necessary, and the economic impact. Those are all very important and those have already been touched on. So I'm going to go to a couple other ones that might be a little more unique to Beatrice as to why we would benefit from this project. The first is, redrawing the flood map. That would be a huge benefit to Nebraska...or to Beatrice. By this reservoir being created, Beatrice alone may have up to a hundred acres that would become able for development or redevelopment. If any of you have

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been to Beatrice before, you know the Big Blue River runs right through the heart of Beatrice. And so in the old days, everybody ran to the river, and now everybody runs away from the river. So we have this big open spot next to our river that by redrawing the flood map would allow us to redevelop those areas or it would allow us to have developments starting there be re-enhanced. Currently, if you own a house in the floodplain and you want to add on, there are certain restrictions that you may not be able to meet. And it may be just cost prohibitive, which won't allow you to fix up your own home. And this type of project will allow us to do those types of things. Second is, this would give a community like Beatrice another opportunity or another tool to use to attract new businesses to Beatrice. In every search committee that goes on, inevitably one of the questions asked is what recreation do you have available to our employees, to our management, if we were to relocate to your community? Right now Beatrice doesn't have anything like this around. And if we were able to tell a prospective business that, hey, there is this nice reservoir just north of here, 20 minutes away, it's just another tool that we can use to help attract businesses to Beatrice. And that's another way that we could benefit from it. Senator Haar, you had asked the question about floodplain. If you want to build in a floodway, you can't. If it's deemed floodway, you can't build there, except for parks. The city is the only one who can build there. If it's flood fringe, you can build there, but the lowest living space has to be at least one foot above the flood elevation. So sometimes that requires that you...that's what makes it cost prohibitive at times or your house sits lower and the new addition would have to sit higher, and it just isn't feasible at that point. I understand this is a big project. This is one that's going to take many, many years. But we all know those projects that have been out there that if we said, if we just started 20 years ago, look how great things would be. And I guess I would ask you support LB322 and let's take that first step and move this project forward. [LB322]

SENATOR CARLSON: Okay. Thank you for your testimony. Questions? Senator Johnson. [LB322]

SENATOR JOHNSON: Thank you again, Chairman Carlson. Thank you, Mr. Tempelmeyer. Again, speaking from a little bit of experience, and that's where I come with my questions, when we put together the project Lake Wanahoo, we had an interlocal agreement between three entities, one being the county, one being the city and one being the NRD in order to keep the project moving along. Do you...and maybe that's based on population or value received from this. Do you think Beatrice would be willing to be part of a funding mechanism to help this project move forward? [LB322]

TOBIAS TEMPELMEYER: I think Beatrice would entertain the opportunity to talk with Crete and other communities and see what we can do to help make this project viable and move it forward. [LB322]

SENATOR JOHNSON: Okay, thank you. [LB322]

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SENATOR CARLSON: Okay. Senator Brasch. [LB322]

SENATOR BRASCH: Thank you. What is the population of Beatrice, I'm curious? [LB322]

TOBIAS TEMPELMEYER: Approximately 12,500. [LB322]

SENATOR BRASCH: And do you have a recreation facility for your youth or a YMCA or community center or things like that? [LB322]

TOBIAS TEMPELMEYER: We do have a YMCA. And we have a skate park and those type of things. But when it comes to some type of outdoor activities, that's something we are lacking. [LB322]

SENATOR BRASCH: Okay, okay. Very good. I thank you for your testimony. I was curious when you said employers ask about what do you have, that certainly you have something already in place. But many communities do not. Very good, thank you so much. [LB322]

TOBIAS TEMPELMEYER: Thank you. [LB322]

SENATOR CARLSON: Senator Haar. [LB322]

SENATOR HAAR: Thank you. Senator Carlson brings up an interesting point that sometimes the consideration of building a structure like this takes land out of production and the alternative might be, for example, for the city of Beatrice to buy up those lands, so you don't have to mess with them anymore, that are in the floodplain. Have you thought about that? Have you looked at that alternative at all? [LB322]

TOBIAS TEMPELMEYER: We have been doing that over the past 30 years. We've been buying up much of the floodway. And I would say probably a majority of it is now currently owned by the city of Beatrice. And it just...it sits as park and it's a beautiful grass field that we mow and maintain and that's all it's used for. [LB322]

SENATOR HAAR: Okay, thank you. [LB322]

SENATOR CARLSON: Okay. Any other questions? I would just ask with your population of 12,500, how has that changed in recent years? [LB322]

TOBIAS TEMPELMEYER: It has been the exact same for about the last 120 years. (Laughter) [LB322]

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SENATOR CARLSON: So this would...this potentially would have a big impact on growth in rural Nebraska, wouldn't it? [LB322]

TOBIAS TEMPELMEYER: Absolutely. [LB322]

SENATOR CARLSON: Okay, all right, thank you. [LB322]

TOBIAS TEMPELMEYER: Thank you. [LB322]

SENATOR CARLSON: Thank you for your testimony. Next testifier, proponent. How many other proponents do we have? I'd ask you, would you take the sign down maybe? [LB322]

CARTER HUBBARD: Oh, yes, I'm sorry. [LB322]

SENATOR CARLSON: And maybe you can just...maybe just lean it in front of the table here in case somebody would want to refer to it with a question. [LB322]

CARTER HUBBARD: Absolutely. [LB322]

SENATOR CARLSON: See if that...we don't want it to block our testifier. Now that's okay. Welcome. [LB322]

RANDALL BADMAN: Thank you. Senator Carlson and Resource Committee, my name is Randall Badman, R-a-n-d-a-l-l B-a-d-m-a-n. And I'm here to represent the village of DeWitt. And I would like to give you just a brief glimpse of DeWitt's situation in regard to the flooding that we have had over...well, I can remember one from 1950. And so from 1950 on, that we've had some major ones was in 1984. Anyway, as you may or may not be aware, DeWitt and Beatrice, as well as other villages and cities downstream, are impacted by three major streams. These streams are the Swan Creek, Turkey Creek, and the Big Blue River. Swan Creek empties into Turkey Creek about a mile west of DeWitt. Turkey Creek and Swan Creek then together empty into the Blue River about a mile south of DeWitt. As you can see, the logistics of these three streams pose problems as they begin to merge together. The Blue River being the largest of these streams slows the other two down, thus backing all three of them up, basically, which then, in turn, backs water up into DeWitt and to the farm ground in the area. Okay, all three of these waterways, then, impact Beatrice and other villages and cities downstream. When...by the time the water gets to Beatrice, it's already...it's got Swan Creek with it and it also has Turkey Creek in it. It's not just the Big Blue River that impacts Beatrice. The Lower Big Blue NRD has completed 19 watersheds for water restriction and recreation on Swan Creek. There are seven watersheds planned for Turkey Creek. Five of them have been completed, and the other two are scheduled for completion in the spring of 2014. But the Big Blue River, as it is now, is just running with

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unrestricted flow. The vast majority of the homes in DeWitt are in a floodplain from either Turkey Creek or the Blue River. Being a floodplain, as you well know, greatly hinders the ability of a town to grow and prosper, especially a small town like DeWitt. When the watersheds on Turkey Creek are completed, along with the sheds that are on Swan Creek already, that's going to be positive and it's going to lower the base flood elevation for DeWitt, Beatrice, and Wymore and on down and through the whole basin. A reservoir on the Big Blue River would greatly add to further lowering these flood elevations. This, in turn, could and probably would lift a huge financial burden from the citizens of these towns and the surrounding farming communities. In summary, I feel we should take a closer look at the benefits of this Big Blue River project here that we're talking about for a reservoir, and it would be prudent to move on, I believe. The village of DeWitt would like to extend its support for further study on the reservoir proposed by Senator Russ Karpisek. Do you have any questions? [LB322]

SENATOR CARLSON: Okay. Thank you for your testimony. Questions? Senator Haar. [LB322]

SENATOR HAAR: From your memory of these flood events, you know like we talk about a hundred-year flood, five hundred and so on. The big one in 1950, you said there was a flood. [LB322]

RANDALL BADMAN: There was a big one in 1950. I don't know any specifics on it. The one in 1950 that I can recall from people that, you know, were really involved with it and everything, that was mainly from the Blue River. It's a timing thing when it rains. It depends on whether it rains out west through western Tobias out there or whether it rains north up through Seward. Seward and Crete, Seward and Milford, up through there, that comes down the Blue River. There is kind of a dividing thing there. And Turkey Creek, some of it goes out almost Hastings, out in that area. So there is a vast...a majority...and on Swan Creek, when it rains, there is some hills there, and it comes pretty fast, Swan Creek comes real fast, so it's a timing thing. Typically, Swan and Turkey get to DeWitt before the Blue River comes up. And once it comes up, then it blocks and then everybody...nobody goes anywhere, so to speak. [LB322]

SENATOR HAAR: Do you know about the '84? Was that considered a hundred-year whatever flood? [LB322]

RANDALL BADMAN: Yes, um-hum, yeah. [LB322]

SENATOR HAAR: Okay. [LB322]

RANDALL BADMAN: That was the worst one, I think, that anybody that I've talked to, or that I've lived through, that was a big one. And it's a timing thing. [322]

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SENATOR HAAR: Thank you. [LB322]

SENATOR CARLSON: Okay. Any further questions? Senator Johnson. [LB322]

SENATOR JOHNSON: Thank you, Chairman. Mr. Badman, did the flooding have an effect on Petersen Manufacturing and is that part of the reason that's not there, and do you have a potential of recapturing that market...or that manufacturing? [LB322]

RANDALL BADMAN: Yes, it did have an impact on Petersen. As you probably know, it's not there now. [LB322]

SENATOR JOHNSON: Right. [LB322]

RANDALL BADMAN: They moved it to China. But I think that was probably one of the problems that they had because of water, not knowing if and when, stop production, what it's going to do. And yes, in '84 there was a lot of water in there and, you know, a lot of things get ruined... [LB322]

SENATOR JOHNSON: Yeah, yeah. [LB322]

RANDALL BADMAN: ...and you stop production and lost profits and etcetera, yes. [LB322]

SENATOR JOHNSON: But the facility is still there. [LB322]

RANDALL BADMAN: Yes, the facility is still there, yes. [LB322]

SENATOR JOHNSON: And it could be reutilized again. How many people would that employ? [LB322]

RANDALL BADMAN: At one time, there were 600 people there. The population of DeWitt is 513. [LB322]

SENATOR JOHNSON: Thank you. [LB322]

SENATOR CARLSON: Okay. Thank you. Any further questions? All right, thank you for your testimony. [LB322]

RANDALL BADMAN: Thank you. [LB322]

SENATOR CARLSON: Anyone else as a proponent? All right, do we have opponent? Welcome, John. [LB322]

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JOHN C. TURNBULL: (Exhibit 4) Good afternoon. Mr. Chairman and members of the committee, I am John C. Turnbull, that's J-o-h-n T-u-r-n-b-u-l-l. I'm the general manager of the Upper Big Blue Natural Resources District, testifying today in opposition to LB322 on behalf of the Upper Big Blue NRD board of directors, the Nebraska Association of Resources Districts, and the Nebraska Water Coalition. The Nebraska Water Coalition members are the Nebraska State Irrigation Association and the Nebraska Water Resources Association. There are time-proven procedures and protocols in place to deal with water resources project proposals. An idea for a project, whether new or the resurfacing of an old one, must first be thought through. Some preliminary work needs to be done by a local entity on why a project is needed, how big it might be, who might benefit, and where it might be built. Other factors have to be considered very early on. Who will take the lead, who pays for it, where is the political support and of course who opposes it and why? How will the project be funded, by private funds, local government taxes, state funds, or federal monies? Successful projects have a local sponsor. For the last 40 years, flood control projects have generally been handled by the natural resources districts. Other water resource projects have been sponsored by irrigation districts and public power and irrigation districts. All of these entities have dealt with issues that I've just listed for you. There is a time and place for state involvement, but it's not at the conceptual planning stage. The screening of ideas needs to take place at the local level. Not all the pitfalls will be discovered, but many will. Not all project proposals will survive, but some will. Once an idea is fleshed out, with reconnaissance level studies in hand, then outside assistance is usually sought. State and federal agencies are brought on board depending on the purpose, the size, complexity, and the cost of the project. Once funding is lined up, then and only then does work begin on environmental studies. By the way, the Department of Natural Resources does not do such studies. That's the responsibility of the sponsors. LB322 skips over the initial and necessary planning and discussions at the local level. The same method was tried recently with a plan for a large dam on the Platte River at Ashland. It didn't work either. The current proposal has not made it off the drawing board yet. The picture needs to be clearer before you, as the Legislature, are asked to consider it. And I do, after listening to the other folks today, I extend an invitation to Crete to attend our next projects committee meeting for a discussion of this idea that they have. And that next meeting will be in two weeks at York at our office. So we do extend an invitation to talk about it. And I would like to thank you for the opportunity to testify in opposition to LB322 and would be glad to answer your questions. I guess as a side light, the proposal that Olsson's is showing you today on this map, all of that project sits within the Upper Big Blue NRD. The city of Crete is three miles south of our boundary with the Lower Big Blue. [LB322]

SENATOR CARLSON: Okay. All right, John, thank you for your testimony. Questions now? Senator Dubas. [LB322]

SENATOR DUBAS: Thank you, Senator Carlson. Thank you, Mr. Turnbull. So am I

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understanding with the extension of the invitation that there has been no conversation between your NRD and any of the interested parties to date? [LB322]

JOHN C. TURNBULL: Very limited. Dave Claybaugh, who is the manager of the Lower Big Blue, and I talked about it on the phone two or three weeks ago that there was an idea that was out talking about a flood control project. He was not sure where it was located and neither was I. The bill was introduced and I saw that on the introduction list. And then last Wednesday, Carter Hubbard from Olsson Associates called me and talked to me on the phone about the proposal and he sent me that same presentation that you folks just had this afternoon, so that is the first I really knew about it to any extent. And so we really haven't had much time to deal with it. [LB322]

SENATOR DUBAS: Well, just based on, you know, where these rivers meet and the issues with flooding in the past, has this been something that your NRD has looked at as far as things that you could do with flood controls? [LB322]

JOHN C. TURNBULL: Well, certainly. To give you a little idea of the size of the watershed, and I know Senator Kolowski and Senator Johnson have dealt with these on those projects they've been involved in, there are in excess of 3,000 square miles of drainage area above Crete in the Blue River system, so it's a huge drainage area. We have looked at flood control for various communities, we have worked with communities on flood control. We have built flood control structures. We had Olsson design us a structure some years ago up near David City. We just finished a storm water project with David City. That one took only 32 years to get done. We did a floodplain buyout in the city of Seward along Plum Creek which drains into the Blue River system. That was completed about 10 or 12 years ago. We did a flood control project at the city of Hastings some years back. So we've been involved in these things. This particular problem of flooding in the Blue has been there for a long time and I feel for those folks in Crete and in Beatrice, and DeWitt that have had to deal with it. It's a continuing problem. There have been studies done in the past. One was in 1964 by the Bureau of Reclamation to look at four large structures in the Blue River system. That was for water storage and irrigation. That never got anywhere. The Corps of Engineers did another study in 1972 and one of them was at a site just upstream to the west of this drawing that is in front of you. And at that time the Corps recommended not to proceed because the costs were much greater than the benefits. We have not looked at a structure of this size since I've been at the district for the purpose of flood control. You had asked a question about land rights and I think it was mentioned that a permanent pool could be 6,400 acres, or something like that. You'll have to take into account the flood pool, which is certainly above that, and then you need a certain amount of land above the flood pool just to make things function. I would guess that your land rights is 12,000 to 15,000 to 18,000 acres on something that size. Land rights is very expensive in our district right now. York County has the highest land sale in the state, \$16,000 irrigated land. This is not \$16,000-acre land, but it is high. A lot of it is irrigated. There are some



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farmsteads involved. We haven't had time to even begin to look at that sort of thing. And I know if Olssons proceeds on a contract with somebody, all of that has to be taken into account. We're not here today to say this is a bad idea. We're just saying there's...there is a better procedure. I don't know if we're the ones that ought to be in it, but somehow we need to sort this out. What this reminds me of today is dealing with our Upper Big Blue projects committee on the board. This is the same discussions we have when a proposal comes up, same questions, they're all good questions. But we need somebody, Crete and others, to sit down and sort a lot of these questions out before we get to this step. [LB322]

SENATOR CARLSON: Okay. [LB322]

SENATOR DUBAS: Thank you. [LB322]

SENATOR CARLSON: Senator Haar. [LB322]

SENATOR HAAR: Thank you. In your testimony, your written testimony here you say once an idea is fleshed out with reconnaissance level studies in hand, who would pay for those reconnaissance level studies generally? [LB322]

JOHN C. TURNBULL: Well, and generally, if we're involved at the Upper Big Blue, that would be our costs. We may ask for some assistance from a community or an area, it just depends. But we'd like to try to get...to understand what the size of the project is, what kind of cost we may be involved in, what kind of headaches we may have, and try and get those things pinned down so that if we appear before somebody, we can do a good, thorough job of explaining. [LB322]

SENATOR HAAR: So you're not saying that, for example, Crete has to come up with the money to do the reconnaissance study. [LB322]

JOHN C. TURNBULL: No, maybe we can...you know, if they're interested in approaching us, that's something that the Crete council and our board of directors have to work out between them as to what do we do, how do we approach it? And I always recommend interlocal agreements where we can do it. We've cooperated with lots of cities over the years and we want to continue doing that. [LB322]

SENATOR HAAR: Thank you very much. [LB322]

SENATOR CARLSON: Okay. Thank you. Senator Johnson. [LB322]

SENATOR JOHNSON: Thank you. My questions in the past, you know, my...little bit of my experience and I guess one question I would have, I mean, being supportive of the concerns of Crete and those cities below there, in order to keep something moving

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forward and giving some emphasize behind it, an amendment to this bill that would require or somehow work in the Upper Blue NRD, would that be favorable, or would that be needed in order for you to... [LB322]

JOHN C. TURNBULL: I don't know that it's needed at this point. I think it would be better if we would have some conversations with Crete and the other folks concerned about flooding and see what we can get put together. [LB322]

SENATOR JOHNSON: Okay, thank you. [LB322]

SENATOR CARLSON: Senator Kolowski. [LB322]

SENATOR KOLOWSKI: Thank you, Mr. Chairman. John, I think my previous questions alluded to the NRD involvement. And you're...although you're signed up as an opponent to this, you're certainly not an opponent to a well-done project that could be of assistance to a large territorial area in Nebraska. And it's just a matter of...it sounds like if all the parties would sit down and talk, everyone would be at the table together and be able to move this kind of project forward. And again I repeat, NRDs have resources that they can come to and be able to utilize so it wouldn't have to be a bill all from a legislative aspect like our own decision-making on this. But I hope no one's nose is out of place on the project... [LB322]

JOHN C. TURNBULL: Oh, no, we're not. [LB322]

SENATOR KOLOWSKI: ...and everyone is willing to come to the table to get the job done, because the bigger picture is how do we move ahead for a quality project for all Nebraskans. [LB322]

JOHN C. TURNBULL: Yeah, and I want to make it clear, the district's nose is not out of joint. It's just...it's just...we just think there's a better way to try to get to a certain point. [LB322]

SENATOR KOLOWSKI: Appreciate that. [LB322]

JOHN C. TURNBULL: We're not here in spite because somebody didn't talk to us early on. That's not the issue. [LB322]

SENATOR KOLOWSKI: Thank you. [LB322]

SENATOR CARLSON: Good. Any further questions. I have one. And that would be, when you look at cost, just as a summary, what are the various types of costs that have to be considered? [LB322]

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JOHN C. TURNBULL: Well, initially it would be the cost of the study. The reconnaissance level study, as Olssons has described to you, that's a start. And then from there you...if it's a go, then you get into more design work. You're going to have...there's engineering design costs. You're going to have, of course, permitting costs to get through the Corps of Engineers and other types of state and federal permits that are needed. Land rights is a huge cost, and then, of course, you have construction and then in the long run is operational and maintenance costs. That's just a thumbnail sketch of them. [LB322]

SENATOR CARLSON: Yeah, it's a lot entailed. Any other questions? Well, I just as a closing statement will say that in my time in the Legislature, I've gotten to really respect John Turnbull. And one of the things about him, every time you see him, go some place, it's like he's on a mission. So it's even like he was on a mission when he went from his chair up to the table and I thought, wow, what's he going to do today. Well, he's not opposed. And he can be a real advocate for what you'd like to see accomplished. So I hope you take the opportunity to meet with the Big Blue board at their meeting and we'll see what can come of this. Thank you for your testimony. [LB322]

JOHN C. TURNBULL: Thank you. [LB322]

SENATOR CARLSON: Any further testimony in opposition? Welcome, John. [LB322]

JOHN K. HANSEN: Good afternoon, Mr. Chairman, members of the committee. For the record my name is John K. Hansen, J-o-h-n, Hansen, H-a-n-s-e-n. I'm the president of Nebraska Farmers Union and I'm also their lobbyist. I also have a background in NRDs. I've done my time and helped develop large projects. Willow Creek would give your project, Senator Johnson, a run for the money. There is...so I've been involved in a lot of different parts of projects down over the years since 1974. And so both as a public official and then now as a president of a farm organization, my concerns with this particular bill is that the request is out of sequence with the process. And if you don't have NRD buy-in, if you haven't...the language itself presupposes where the site ought to be. If you're actually going to do a siting study to figure out where the most appropriate place to put a structure is, but just looking at the numbers, you've got about \$120 million worth of land values right up front to acquire for a project. And having sat at the table for so many years, and all of the hearings that we had in my Lower Elkhorn NRD, I could just about tell you exactly where everybody was in the watershed with my eyes closed based on the perspective that they had. And the folks who lived in town said, you know, that they paid good money for their land and they didn't want this flood coming through their property and somebody ought to do something. They were at least as important as everybody else. And the folks...and by the way, while you're at it you should straighten the creek and make it go faster. And, of course, the folks downstream said, yeah, you straighten the creek and it goes faster and then as it comes down and hits us, why then it all spreads out because the velocity is picked up and so then we're

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suppose to absorb the blunt of all that straightening and those efforts, and the folks upstream would say, and these guys didn't know that water ran downhill? They're the ones that wanted to buy land on the cheap. And yet they want all the benefits of having made a better decision when, in fact, they were just trying to buy land cheap because it was in the flood zone. And so all those perspectives kind of come together. So we are not unsympathetic to the impact of flooding in this watershed. And some villages, unfortunately, have located themselves, and for logical reasons at the time when they started, in just horrid floodplains. And so it's a difficult situation. And from our perspective, it would be good to go through the process in a more appropriate kind of way through the NRD. And if you don't have the NRD, I don't think you have the eminent domain, I don't think you have the rest of the necessary support system to make a project work. But before we rush to judgment and decide that the project is itself viable and good, you've got to do a lot of research and ask a lot of questions before you get to that conclusion, in my opinion. And some projects work, and some projects don't. And if you're married to a project before you start, then you're not being objective and what's the point of spending all the money to do feasibility studies? So you always got to assume that it might work, it might not. And from the interest of landowners, you want that due process because they're part of the deal also. And they're certainly the most directly impacted if it's their land under...that's going to be put under water. So in the interest of being prudent, I would suggest that this bill is a bit out of order and out of sequence. And that there ought to be a lot more process be gone through before there is an effort to send this off for this particular kind of study. And with that, I would close and be glad to answer any questions if I could. [LB322]

SENATOR CARLSON: Okay. Thank you, John, for your testimony. Any questions of the committee? Senator Haar. [LB322]

SENATOR HAAR: Yes, thanks. John, as you're talking, probably in the past we've been more interested in re-engineering nature to fit what we want. And are we going more to a...we have to adapt to what we're stuck with, not necessarily stuck with, but with, you know, with the hand that nature has dealt us? Does that make sense? [LB322]

JOHN K. HANSEN: Well, I...thank you, Senator, for the question, I...I've been through the process relative to river straightening projects. It's a brutal education. Mother Nature has an incredible amount of power and at a certain point you got to admit when you're overmatched and overpowered and you have to learn to be able to compensate accordingly based on the size of the natural forces you're dealing with. The power of moving water is just enormous. And water will go where it wants to go eventually. And so learning how to deal with those realities and what's the most appropriate approach is an ongoing struggle. And, you know, we've gone through different periods in our history where we've been a lot more prone to build large surface water projects. And that period has, for the most part, nationally...we...we're past that. We're now looking for other different kinds of ways to try to manage with different kinds of approaches and

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strategies. And so sometimes lots of smaller dams, lots of smaller projects are enough by themselves to take the downstream head off, which is really what you're trying to do in flood control. And as you look at flood control recreation, the more flood control a structure has, the more adverse it is to the interest of most managed recreation...as would...I have some experience background in multipurpose projects. And so the more clearly it has flood control benefits, those are, a lot of times, going to be clearly at conflict with the interest of a stable recreation flood pool...or water pool. And so you're...there is a lot of things to consider. We've made a lot of progress and I would share Chairman Carlson's assessment of John Turnbull, and my experience of all the different NRDs and NRD managers that I've worked with since 1974, he's certainly one of the best and brightest. [LB322]

SENATOR CARLSON: Okay. Thank you. [LB322]

SENATOR HAAR: Just to follow up, the reason I'm asking that question, I mean you look nationally at what is happening even, you know, at New Orleans and we just rebuild everything and the sand, you know, Sandy coming down the coast, now we're just going to rebuild everything and...are we in a state where we're going to have to more think about adapting instead of just putting it back the way we want it? [LB322]

JOHN K. HANSEN: Well, Senator, the folks in New Orleans are very committed to rebuilding their city. The folks outside of New Orleans look at it and say the whole thing is below the sea level. And so as we look at using public dollars to try to deal with not only natural resource issues, but changing natural resource realities, then I think it behooves all of us to try to take a bigger picture, step back a bit and take a bigger picture look of what are we doing and you know...especially when you look at...almost all of the villages and towns in Nebraska were located in the floodplain because that's where the water was. I mean there was a logic why we were there. But in retrospect, after you learn how to drill wells and do other kinds of things, we would have been a lot more prudent and saved a lot of money if we hadn't put the town right in the middle of the floodplain. And I am very familiar with the watershed that's impacted and the landowners and villages along the way. They're in a difficult situation and I don't blame them the least for trying to do something. [LB322]

SENATOR HAAR: Thank you. [LB322]

SENATOR CARLSON: Okay. Any further questions? Well, John, I'd ask for a short answer here. And you kind of came striding up here too from your spot back there. You're not against the project, you're just saying the process isn't right. So I would hope you're encouraging them, get on the right track with the process with the Upper Big Blue NRD and see where it goes from there. [LB322]

JOHN K. HANSEN: Yeah, and I was...Mr. Chairman, thanks. I was reticent whether I

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was going to testify at all, but when I read it and I kind of looked at it, just...and the more I heard today the more I was convinced that a proper process had not been followed. And if you don't follow a proper process, success is not likely to follow. And so there has to be a better, more kind of appropriate approach, in my opinion. [LB322]

SENATOR CARLSON: Okay. [LB322]

JOHN K. HANSEN: And John Turnbull convinced me that that process had not been followed. [LB322]

SENATOR CARLSON: Okay. All right, thank you. [LB322]

JOHN K. HANSEN: Thank you. [LB322]

SENATOR CARLSON: Thank you. Any further testimony in opposition? Anyone in the neutral position? Well, I want to thank those of you that have come to testify. And I hope you're not discouraged by what you heard, but I really think you need to follow through and meet with the people at the Upper Big Blue and let's see what happens there. And with that, we'll close the hearing on LB322. Thank you for coming. And I want the committee to go into Executive Session, so we'll ask you to leave. (See also Exhibit 5.) [LB322]